

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN EXAMINATION BY THE PUBLIC)
SERVICE COMMISSION OF THE)
APPLICATION OF THE FUEL ADJUST-)
MENT CLAUSE OF NOLIN) CASE NO. 8610
RURAL ELECTRIC COOPERATIVE)
CORPORATION FROM NOVEMBER 1,)
1980, TO OCTOBER 31, 1982)

O R D E R

Pursuant to 807 KAR 5:056, Sections 1(11) and (12), the Public Service Commission ("Commission") issued its Order on September 28, 1982, scheduling a hearing to review the operation of the fuel adjustment clause of Nolin Rural Electric Cooperative Corporation ("Nolin") for the past 2 years and to determine the amount of fuel cost that should be transferred (rolled in) to the base rates in order to reestablish the fuel adjustment charge.

Nolin filed all requested information, including its monthly fuel charges for the 2-year period under review. Following proper notice, a hearing was held on January 25, 1983.

The Commission approved a transfer (roll-in) of 3.11 mills per KWH to the base rates of Nolin's wholesale supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 8588. Approval of East Kentucky's proposal requires that Nolin also be authorized to roll in those same fuel costs to its base rates.

The Commission has reviewed the monthly fuel adjustment clause filing made by Nolin in conjunction with the schedule of over- or under-recovered fuel costs filed in this proceeding. This review indicates that the Commission should revise the monthly fuel adjustment clause filing form to minimize errors.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. Nolin has complied in all material respects with the provisions of 807 KAR 5:056.

2. Nolin's wholesale supplier has been authorized to transfer (roll in) to its base rates fuel costs of 3.11 mills per KWH in Case No. 8588.

3. Nolin should be authorized to increase the rates charged its customers by 3.32 mills per KWH in order to transfer fuel costs rolled in by East Kentucky from the fuel adjustment clause to the base rates pursuant to the Commission's Order in Case No. 8588 and applicable line loss, and this can best be accomplished by an energy adder to each KWH sold.

4. The revised rates and charges in Appendix A are designed to reflect the transfer of fuel costs from the fuel adjustment clause rate to the base rates.

5. The monthly fuel adjustment clause filing form currently being filed by Nolin should be revised.

IT IS THEREFORE ORDERED that the charges collected by Nolin through the fuel adjustment clause for the period November 1, 1980, through October 31, 1982, be and they hereby are approved.

IT IS FURTHER ORDERED that Nolin be and it hereby is authorized to transfer to its base rates fuel costs transferred by its wholesale supplier pursuant to Case No. 8588.

IT IS FURTHER ORDERED that the rates in Appendix A be and they hereby are approved for service rendered by Nolin on and after June 1, 1983, which is also the effective date for East Kentucky's rates.

IT IS FURTHER ORDERED that within 30 days from the date of this Order Nolin shall file with the Commission its revised tariff sheets setting out the rates approved herein.

IT IS FURTHER ORDERED that the revised monthly fuel clause form in Appendix B shall be used by Nolin for all filings made after the date of this Order pursuant to 807 KAR 5:056 to recover or refund fuel charges or credits billed or refunded by its wholesale supplier.

Done at Frankfort, Kentucky, this 3rd day of June, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 8610 DATED JUNE 3, 1983

The following rates and charges are prescribed for the customers in the area served by Nolin Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

SCHEDULE 1*

RESIDENTIAL, FARM, NON-FARM, TRAILERS AND MOBILE HOMES

Rates:

Customer Charge	\$5.00
All KWH Charge	.06267 per KWH

SCHEDULE 2

COMMERCIAL, SMALL POWER, SINGLE PHASE AND THREE PHASE SERVICE*

Rates:

Customer Charge	\$5.00
ALL KWH Charge	.07004 per KWH

SCHEDULE 3
LARGE POWER*

Rate:

Demand Charge

\$4.34 per Kilowatt of Billing Demand Per Month

Energy Charge

First	2,500 KWH Per Month	\$.05910 Net Per KWH
Next	12,500 KWH Per Month	.05439 Net Per KWH
Over	15,000 KWH Per Month	.05297 Net Per KWH

SCHEDULE 4
INDUSTRIAL*

Rates:

Demand Charge

\$4.34 Per Kilowatt of Billing Demand Per Month

Energy Charge

First	3,500 KWH Per Month	\$.06287 Net Per KWH
Next	6,500 KWH Per Month	.04932 Net Per KWH
Over	10,000 KWH Per Month	.04581 Net Per KWH

SCHEDULE 5
RURAL LIGHT*

Applicable: Entire Service Area*

Rates:

Service for the above unit shall be unmetered and billed on the consumer's monthly bill for other electrical service furnished by the Cooperative, at the rate of \$6.68 each and every month for each lighting fixture contracted for by the consumer.

SCHEDULE 6*

Rates:

Mercury Vapor Series or Multiple KWH/LIGHT

Standard Overhead			
7,000 Initial Lumens	75	\$3.24	Per Light Per Month
20,000 Initial Lumens	170	9.75	Per Light Per Month
Ornamental Service			
7,000 Initial Lumens	75	4.31	Per Light Per Month
20,000 Initial Lumens	170	10.89	Per Light Per Month

SCHEDULE 7
LARGE INDUSTRIAL*

Rates per Month:

Demand Charge

\$7.92 per Kilowatt of billing demand per month

Energy Charge

All KWH at \$.03900 Net per KWH

*Fuel Clause Adjustment

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

COMPANY: _____

POWER SUPPLIER: _____

Month of: _____

Disposition of Energy (KWH) - Month of: _____

1. Total Purchases _____
2. Sales (Ultimate Consumer) _____
3. Company Use _____
4. Total Sales (L2 + L3) _____
5. Line Loss & Unaccounted for
(L1 less L4) _____

Purchased Power - _____

13. Fuel Adjustment Charge (Credit):
 - A. Billed by supplier
 - B. (Over) Under Recovery (L12)
 - C. Unrecoverable - Schedule 2
 - D. Recoverable Fuel Cost (L13 A+B-C)
14. Number of KWH Purchased _____
15. Supplier's FAC:
\$ per KWH (L13A + L4) _____

Line Loss _____

(Over) or Under Recovery - Month of: _____

16. Last 12 Months Actual (%) - _____

6. Last FAC Rate Billed Consumers _____
7. Gross KWH Billed at the Rate
on L6 _____
8. Adjustments to Billing (KWH)
Net KWH Billed at the Rate on
L6 (L7 + L8) _____
9. Fuel Charge (Credit) Used to
Compute L6 _____
10. FAC Revenue (Refund) Resulting
from L6 (net of billing adj.) _____
11. Total (Over) or Under
Recovery (L10 less L11) _____
17. Last Month Used to Compute L16
18. Line Loss for Month on L17 (%)
(L5 + L1) _____
19. Calculation of FAC Billed Consumers
Sales as a Percent of Purchases
(100% less percentage on L16)
20. Recovery Rate \$ per KWH
(L13D + L14) _____
21. FAC \$ per KWH (L20 + L19) _____
22. FAC \$ per KWH (L21 x 100) _____

Line 22 reflects a Fuel Adjustment Charge (Credit) of _____ \$ per KWH to be applied to bills rendered on and after _____, 19____.

, 19____. Issued on: _____

Title: _____

Issued by: _____

Telephone: _____

Address: _____

SCHEDULE 1
TWELVE MONTH ACTUAL LINE LOSS
FOR FUEL ADJUSTMENT CHARGE COMPUTATION
FOR _____, 198__

	(a) <u>KWH PURCHASED</u>	(b) <u>KWH SOLD</u>	(c) <u>OFFICE USE</u>	(d) <u>KWH LOSSES</u>
Previous twelve months total -				
Less: Prior year-current month total -				
Plus: Current year-current month total -				
Most Recent Twelve Month Total -	_____	_____	_____	_____

(d) _____ ÷ (a) _____ = _____ Enter on line 16 of the current month's
(FAC) Report

SCHEDULE 2
CALCULATION OF UNRECOVERABLE FUEL COST
DUE TO EXCESSIVE LINE LOSS
FOR THE MONTH ENDED

1. Purchases For the Month (KWH) _____
2. Less Line Loss (10% x L1) _____
3. Sales (L1 less L2) _____
4. Unrecoverable Fuel Charge Per KWH:
 - a. FAC Rate based on Actual Line Loss
(Current Month's Report L15 ÷ (100% Less L16) \$ _____
 - b. FAC Rate based on 10% Line Loss
(Current Month's Report L15 ÷ 90%) _____
 - c. Increment unrecoverable \$ _____
5. Unrecoverable Fuel Cost - (L4c x L3 enter on Line
13c of current month's FAC report) \$ _____

Note: This schedule is to be filed for each month that the 12 month actual Line Loss exceeds 10% and the amount billed by the supplier is a charge. This schedule is not to be filed if the amount billed by the supplier is a credit.